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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of

2000 Biennial Regulatory Review

Policy and Rules Concerning the International,
Interexchange Marketplace

IB Docket No. 00-202

**REPLY COMMENTS
of the
GENERAL SERVICES ADMINISTRATION**

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Summary

GSA responds to parties addressing issues concerning detariffing of international services provided by non–dominant interexchange carriers. GSA urges the Commission to reject requests by few commenting parties to continue to allow tariffs for these services.

Several carriers assert that it is premature to detariff international interexchange services. However, most carriers effectively rebut the contention that detariffing for international services should be delayed until more experience is gained with the corresponding step for domestic services. These commenters explain that a deferral in detariffing international services will increase the costs incurred by interexchange carriers and also exacerbate the confusion experienced by consumers.

Most carriers concur with GSA’s position that permissive detariffing is not adequate because of possible adverse effects from the filed–rate doctrine. GSA concurs with parties urging the Commission to implement broad detariffing requirements, including Commercial Mobile Radio Services (“CMRS”), with only two specific exceptions identified in the Notice.

Finally, GSA notes that parties support website posting of information on the rates, terms and conditions for international services as the primary means of making this information available to consumers. Moreover, parties explain the importance of ensuring that service information is available on websites promptly after tariff cancellation. GSA concurs that these disclosure requirements, coupled with the additional procedures described in the Notice, appear to be more than adequate from its perspective as an end user.

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The General Services Administration ("GSA") submits these Reply Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Notice of Proposed Rulemaking in IB Docket No. 00-202 ("Notice") released on October 18, 2000. The Notice seeks comments and replies on issues concerning detariffing of international services of non-dominant interexchange carriers ("IXCs").

I. INTRODUCTION

On October 31, 1996, the Commission released the *Detariffing Order*, which directed non-dominant IXCs to cancel their tariffs for interstate, domestic, interexchange services by the end of a nine-month transition period starting at the effective date of the order.¹ Although the order became effective in December 1996, it

¹ *In the Matter of Policy and Rules Concerning the Interstate, Interexchange Marketplace*, Second Report and Order, CC Docket No. 96-61, released October 31, 1996 ("*Detariffing Order*").

was stayed because of numerous challenges. On April 28, 2000, the Court of Appeals for the District of Columbia Circuit lifted the most recent stay, allowing the Commission's requirements for mandatory detariffing of domestic interexchange services to become effective after nearly four years of litigation.²

Shortly after the stay was lifted, the Commission instituted a proceeding concerning tariffing requirements for bundled domestic and international services.³ Earlier this month, the Commission ruled that carriers may not continue to tariff these bundled services.⁴

In the instant Notice, the Commission proposes to extend mandatory detariffing to encompass nearly all international offerings.⁵ On November 17, 2000, GSA submitted Comments supporting this policy. GSA explained that the requirements for non-dominant IXCs to file tariffs are not needed to protect consumers, and in fact these requirements may limit the development of competition for international services.

In addition to GSA, about 15 carriers and groups of these firms submitted comments addressing the Notice. In these Reply Comments, GSA responds to the positions advanced by those parties.

II. THE COMMISSION SHOULD NOT GRANT REQUESTS TO CONTINUE TARIFFING REQUIREMENTS FOR INTERNATIONAL SERVICES.

Among the many carrier parties submitting comments in response to the Notice, only a few assert that the Commission should not move to mandatory detariffing.

² *Id.*, Second Order on Reconsideration, *stay lifted and aff'd*, *MCI WorldCom, Inc., et al. v. FCC*, 209 F.3d 760 (D.C. Cir. April 28, 2000).

³ CC Docket No. 96-61, Public Notice, released May 9, 2000.

⁴ *In the Matter of Policy and Rules Concerning the Interstate, Interchange Marketplace*, CC Docket No. 96-61, Order, released November 17, 2000.

⁵ Notice, para. 14.

These parties contend that the Commission should continue to allow carriers to file tariffs for international services until the recently prescribed rules for detariffing domestic interexchange services have been tested.

For example, Verizon states it will “undoubtedly” be some time before consumers and carriers adjust to detariffing for domestic long distance services.⁶ According to Verizon, a period of permissive detariffing for international services will provide an opportunity for the Commission to evaluate the impact of its domestic detariffing policy.⁷

Similarly, Allegiance states that the Commission’s decision to detariff domestic interexchange services was based on a number of judgments about consumer benefits and impacts on the domestic telecommunications market that have not been validated by experience.⁸ According to Allegiance, “It is premature for the Commission to consider detariffing international interexchange services.”⁹

GSA urges the Commission to reject requests to delay mandatory detariffing of international services. As GSA explained in its Comments, mandatory detariffing will enhance competition among the carriers providing international services, and achieve other objectives in the public interest. The benefits include elimination of the possibility of the filed-rate doctrine interfering with customer arrangements and extension to international services of market conditions that more closely reflect an unregulated telecommunications environment.¹⁰

⁶ Comments of Verizon, p. 1.

⁷ *Id.*

⁸ Comments of Allegiance Telecom (“Allegiance”), p. 1.

⁹ *Id.*

¹⁰ Comments of GSA, p. 3.

The majority of carriers responding to the Notice are in accord with GSA's position that mandatory detariffing of international services should not be deferred. For example, Excel directly rebuts the contention that detariffing for international services should be delayed until experience is obtained with the corresponding step for domestic services. Excel explains that widely disparate schedules will increase the costs incurred by interexchange carriers and also exacerbate the confusion experienced by consumers.¹¹

WorldCom, AT&T Communications, Concert, Qwest and Sprint ("Joint IXC Commenters") provided comments with a review of the status of competition for interexchange services. This analysis shows that the markets for international and domestic services are now comparable from the standpoint of competitive development.¹² However, as long as different legal regimes apply to international and domestic service offerings, administrative costs will escalate.¹³ Moreover, the Joint IXC Commenters explain that a disparity in tariffing rules makes it difficult for carriers and their business customers to craft workable term agreements.¹⁴ Thus, in view of their own interests as well as the needs of their customers, the Joint IXC Commenters support the Commission's tentative conclusion to extend mandatory detariffing to international services.¹⁵

The Notice requests comments on comprehensive requirements for mandatory international detariffing, with exceptions to allow (but not require) tariffs in only two specific cases: (1) "dial-around 1+ services" using a 10-10-XXX access code; and

¹¹ Comments of Excel Communications ("Excel"), p. 3.

¹² Submission of Joint IXC Commenters, p. 6.

¹³ *Id.*, p. 7.

¹⁴ *Id.*

¹⁵ *Id.*, p. i.

(2) during the initial 45 days of service, or until there is a written contract between the carrier and the customer, and the customer contacts the LEC to select an IXC or to initiate a change in its presubscribed carrier.¹⁶ The Joint IXC Commenters also acknowledge the advantages of permissive detariffing under these specific conditions.¹⁷

GSA concurred with the Commission's tentative conclusion that only these two exceptions to mandatory detariffing are in the public interest.¹⁸ The comments submitted by other parties support GSA's position that in all other cases mandatory detariffing of international services should be required because it will provide greater benefits for consumers.

III. PARTIES DO NOT DISPUTE THE BENEFITS OF EXTENDING MANDATORY DETARIFFING TO INTERNATIONAL COMMERCIAL MOBILE RADIO SERVICES.

The Commission offers the tentative conclusion that mandatory detariffing should also be required for international Commercial Mobile Radio Services ("CMRS").¹⁹ GSA urged the Commission to adopt this conclusion in order to extend the benefits of detariffing to wireless services.²⁰

Carriers focusing on CMRS explain the benefits of mandatory detariffing for these services. For example, AT&T Wireless Services ("AWS") explains that tariffs for CMRS are not required to ensure just and reasonable charges and practices, nor to protect against unreasonable discrimination.²¹ In addition, AWS notes that CMRS

¹⁶ Notice, para. 20.

¹⁷ *Id.*, pp. 9-10.

¹⁸ Comments of GSA, p. 5.

¹⁹ Notice, para 5.

²⁰ Comments of GSA, p. 7.

²¹ Comments of AWS, p. 1.

detariffing would establish consistency between the treatment of domestic and international wireless services.²² Moreover, AWS observes that detariffing is particularly appropriate for international CMRS since most users rely substantially on contractual arrangements for these services.²³

Similarly, Cingular Wireless, which is a joint venture of the domestic wireless operations of SBC Communications and BellSouth, filed comments specifically addressing CMRS detariffing issues. In these comments, Cingular Wireless explains that CMRS competition renders tariffing obligations unnecessary and contrary to the public interest.²⁴

GSA concurs with the observations of AWS and Cingular Wireless on the benefits of detariffing of international CMRS. Thus, GSA urges the Commission to prescribe procedures for transitioning to a regime without filed tariffs for international CMRS as soon as possible.

IV. COMMENTS DEMONSTRATE THAT INTEREXCHANGE CARRIERS SHOULD MAKE SERVICE DATA AVAILABLE ON INTERNET WEBSITES.

When tariffs are eliminated, consumers must have an alternative means to obtain the information necessary to identify and evaluate available rate plans.²⁵ Therefore, the Commission suggests a series of proposed disclosure requirements that provide information for consumers and also yield data for the Commission to ensure carrier compliance with the Telecommunications Act.²⁶

²² *Id.*, p. 2.

²³ *Id.*, pp. 2-3.

²⁴ Comments of Cingular Wireless, p. 2.

²⁵ Notice, para. 22.

²⁶ *Id.*, citing Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. § 151 *et seq.* ("Telecommunications Act").

As a primary information source, the Commission proposes to extend to international services the requirement that carriers maintain current information on the rates, terms and conditions for all mass market offerings on their Internet websites.²⁷ Carriers would also be obliged to provide information in other forms, including notices with their periodic invoices to customers.²⁸

GSA explained that from its perspective as an end user, these disclosure procedures appear to be more than adequate.²⁹ Moreover, since service information should always be available, GSA recommended that the Commission require carriers to begin maintaining data describing international services on Internet websites as soon as the corresponding tariffs are canceled and withdrawn.³⁰

Parties recommending that the Commission eliminate tariffs for international services support website posting of information on the rates, terms and conditions for international services as the primary means of making this information available to consumers. For example, the Joint IXC Commenters explain that website posting and other options are an equal substitute for tariffs, because the volume of filings makes it necessary for the Commission to conduct reviews only in response to filed complaints.³¹

The Telecommunications Management Systems Coalition ("Coalition"), which provided comments supporting mandatory detariffing, emphasizes that information should always be available to consumers either in tariff form or on websites. Specifically, the Coalition recommends that the Commission adopt a requirement for

²⁷ Notice, para. 23.

²⁸ *Id.*, paras. 23-25.

²⁹ Comments of GSA, pp. 6-7.

³⁰ *Id.*, p. 7.

³¹ Submission of Joint IXC Commenters, pp. 8-9.

posting information on websites within twenty-four hours after tariff cancellation.³² Moreover, the Coalition explains that the Commission should take this opportunity to rule that carriers must disclose the rates, terms and conditions for services in sufficient detail to permit consumers to make informed choices regarding international services.³³

In summary, the Commission has recognized that full and accurate information is necessary for truly informed consumer choice.³⁴ GSA urges the Commission to find that the information requirements for international services are best met through website posting and the additional means identified in the Notice, rather than filed tariffs.

³² Comments of Coalition, pp. 7.

³³ *Id.*, p. 8.

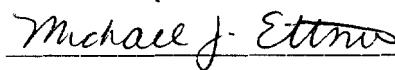
³⁴ *In the Matter of Truth-in-Billing and Billing Format*, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 7492 (1999).

V. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to implement the recommendations set forth in these Reply Comments.

Respectfully submitted,

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December 4, 2000

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I, MICHAEL J. ETTNER, do hereby certify that copies of the foregoing "Reply Comments of the General Services Administration" were served this 4th day of December, 2000, by hand delivery or postage paid to the following parties.

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